



## **E20 - Jason Franciosa - What Separates 8-Figure Entrepreneurs From Those Who Give Up**

Ryan Moran [00:00:02]

This is the Road to \$1 Million and I'm Ryan Daniel Moran. Hi everyone. Welcome to Capitalism.com. Today, I'm going to be joined again by my friend, Jason Franciosa. Jason and I try to do a podcast about once a year because Jason is one of my favorite success stories. Jason got into our world when he saw a Facebook ad for us selling a \$3,000 dollar course, and he spent his last \$3,000 dollars to go through the course. The other side of that is he now has a multi-million dollar business. Of course it didn't start that way. He started very small. He was actually the active guy in the Facebook group asking a bunch of questions. He was the student in the room. He was willing to be humble enough to learn. And he went through the grind, he went through the growth, and then our first podcast together was right when he was about to cross a million dollars.

Ryan Moran [00:00:58]

You might've heard that podcast. It was about 2 years ago, right before the pandemic. We recorded our 2nd podcast a year ago, right after Jason got punched in the mouth from COVID, his business dropped dramatically, and then he worked for months to get it back up to where it was. And then it started to grow again. He was pacing about \$2 million dollars. Well, 1 year later, he is now pacing \$5 million dollars this year. He's past that in terms of run rate and his projection is that he's going to do \$8 million dollars in the next year. This is an awesome story, obviously. I love it when somebody just takes a chance on this business model and they come out the other side really successful. Thankfully, Jason's one of the few people that was in touch with me the entire journey. So many of my success stories only come to me after they broken \$2 million bucks or sold for \$10 million bucks. Happens all the time that people reach out and say, hey, I started a business because of your podcast, because of your book and now we got a multi-million dollar business.

Ryan Moran [00:02:04]

I think, why didn't you reach out to me when you started? Why didn't you reach out to me when you had your first sale? Why didn't you get plugged into the community when you were pacing your first \$10,000 dollars a month? So, I really appreciate that Jason was involved at the ground floor. If you are listening to this and you're like, okay, I'm finally convinced and I want to be part of this community, there's 2 ways that I can serve you. One is inside of The One Percent. This is where I help people build a 7-figure net worth. First we helped them build a business, then invest the profits and we run them through our 12 month process for having a



7-figure business so they can invest the profits. The 2nd way, if you want to dive into starting your own business in the same alignment that Jason did when he spent his last few bucks to go really aggressive into following the 12 month plan, having a vision and executing that vision.

Ryan Moran [00:02:56]

Jason is one of our head coaches alongside myself and a few other entrepreneurs who are successful at building brands, or who have had exits in the past, inside of our Capitalism Incubator. You can find out what we do, you can get plugged in over at [Capitalism.com/inc](https://Capitalism.com/inc). In this podcast episode, Jason and I are going to go through a very, very practical guide to how he grew from that \$2 million dollar run rate to now an \$8 million dollar run rate, how he projects \$8 million dollars for next year, how he has started building a team, what tactics and strategies he is using that are providing the most ROI, what platforms and what marketing tactics he is using, how he's working with influencers and a bunch of other very helpful strategic tactical stuff that you can use in your business. I hope you enjoy this chat with Jason Franciosa. Jason Franciosa, welcome back to Capitalism.com. How are you, my friend?

Jason Franciosa [00:03:58]

Hey Ryan. Doing well. How about yourself?

Ryan Moran [00:04:00]

Doing great, man. I love our yearly check-ins because it seems like yesterday that you were on the podcast right about to hit the first million and 1, 2, skip a few, you've had a couple of great years since then. And last we spoke, you were just on the other side of having a really hard time post-COVID because your business had gotten just smacked across the face. You had just started to recover and were sort of back on top. What's happened since then?

Jason Franciosa [00:04:38]

Yeah. So COVID hit, like you said. It was that big steep die off and then a bunch of supply chain issues. All the nightmares that you wake up in the middle of night worrying about was happening. And then it just rocket shipped and that ship is still flying. Last year we ended the year ... I actually listened to our podcast a little before this. We ended the year ... When we spoke, were just about to break a quarter million dollars a month in sales. Right now we're about to break half a million dollars a month in sales.

Ryan Moran [00:05:10]

Amazing. Congratulations. You've doubled yet again in the last year, which is a common trajectory for e-commerce businesses when they follow kind of our methodology is they ... It takes them a year to go from zero to a million and then a year to go from 1 to 2, a year to go



from 2 to 4, a year to go from 4 to 8. It starts to round off, 8 to 12 or 8 to 10, and then 10 to 14, 10 to 60, it starts to round off at that part. That is common for a lot of e-commerce entrepreneurs. What do you think is the reason why you have doubled yet again and are on pace for ... That would be a \$6 million run rate if nothing changed.

Jason Franciosa [00:05:59]

Staying focused on what was working, doubling down on that, which is essentially build a strong brand, take care of our customers, speak to them and then point all that traffic to Amazon. Then just double, triple, quadruple down on that. When you're seeing these faster growth rates and you literally ... Scaling becomes a problem more than growth, it doesn't make sense to try and start going after all the shiny objects. We're kind of at that point now where we look at our growth trajectory and we can continue down this path, but I think we also have to start transitioning into ... Well, you always talk about the owner's model, right? So, expanding that further and finding the people to now take over the current things or the experts in other areas that can start scaling the business wider. Last year, when we spoke about ... We've talked about going deep instead of wide.

Jason Franciosa [00:07:03]

Well I think we've gone very deep now. It's time to start going wider. So new sales channels, larger product lines, new marketing opportunities, business partnerships, all that kind of stuff. That's where we're starting to look now and I think that's what's going to help us double next year.

Ryan Moran [00:07:16]

When you say you're utilizing the owner's model to do that, that means that you're looking for partnerships with people who will do that for you. Correct?

Jason Franciosa [00:07:25]

Yeah. It's transitioning from the doer to the leader and becoming an actual leader of an organization where my purpose is to find the best people that I can and delegate the tasks to them so that I can get the most value out of the time that I spend on the business.

Ryan Moran [00:07:46]

Yeah. At the beginning, you and your partner are doing everything. You're running around wearing a bunch of different hats until you find what is working. Then you double down on that. And then it's, okay, this pays for us to invest in the best people or the best agencies or the best partners to be able to bolt on these other opportunities for growth. That's what Jason is referencing when he's talking about the owner's model. I believe very strongly that the role of



the entrepreneur is to stay in vision mode. It's not to get into the weeds and the details of every piece of the business, the job of the founder is to cast the overall vision and then to bring in the right people to be able to execute upon that vision. And make sure that the company has enough money to be able to ensure that you can continue to operate.

Ryan Moran [00:08:38]

This is what we call the owners model. The owners model is our process for keeping the entrepreneur in the owner's seat. You cast a vision, you recruit the right people, and you ensure that the company has enough money to execute. This is what we help people do inside of the Capitalism Incubator. We help them get clear on their vision, help them launch profitably, connect them with the people that they need to know, and we have an investment fund to invest in the businesses that are coming from our little Incubator. If you're an entrepreneur that wants to build something great, wants to build something that you can scale and even sell, you can find out more about what we do and who we've helped at [Capitalism.com/inc](https://capitalism.com/inc). That's capitalism.com/inc. Now, Jason, you said that you're focusing a lot on brand and sending that over to Amazon. What does that mean from a tactical focus perspective?

Jason Franciosa [00:09:36]

It means I am feeding the Amazon machine because right now there is no marketplace that is as accessible with as large of an audience and as high of a conversion rate as sending traffic to Amazon. Instead of fighting against that, trying to be in this essential, fearful mindset of, oh, they control things, I don't have this, I don't have that, You say, look, this is where people want to be right now. Let's be there.

Ryan Moran [00:10:06]

When you say you're sending people there, how are you doing that?

Jason Franciosa [00:10:11]

Every way possible. All of our email, if we have any promotion in an email, it goes directly to Amazon. We don't send this to our website. When we run ads through everything from Google to subscription newsletters to different events. We go to a lot of events or we sponsor different competitions. We'll have inserts, we'll have cards we give out, we'll have free gear. All that eventually directs to Amazon. So Amazon is our shopping cart. We build our brands, we build a connection and build a relationship. We have influencers, we have a great social media presence, we have amazing email lists, great customer service. When that person's ready to buy, we just say, hey, no problem. Go to Amazon, buy it.

Ryan Moran [00:10:56]



Yeah. All of your efforts are on feeding the Amazon machine, which has also rewarded you in the form of reviews and higher organic rankings. How much of your attention is put onto Amazon tactics, like trying to bully the system?

Jason Franciosa [00:11:15]

Ironically last week, a big manipulation site, I believe at least, RebateKey got a letter from Amazon saying this is against our terms of service. They disconnected them from their platform and a bunch of sellers got emails saying a reminder of their code of conduct. We did not get that. It did not affect our sales, it did not affect our trajectory. It didn't affect anything that we do. And no service or black hat tactic ever will because we don't need to do that. We don't want to, that's not fun. It's not fun having to give away a bunch of stuff because you have no other way to get traffic. It's no fun to have to incentivize people to leave a positive review because you have a crap product that you don't believe in. You don't have a customer base that really cares about you or your brand.

Ryan Moran [00:12:03]

So you do none of that.

Jason Franciosa [00:12:05]

No.

Ryan Moran [00:12:06]

Your sales are coming from pay-per-click, they're coming from cold ads on Google, they're coming from pounding the pavement to build a little bit of an audience, some influencer relationships. It sounds like a lot of different things that are all going over to Amazon.

Jason Franciosa [00:12:24]

Exactly. We do spend a lot in Amazon advertising, that is no doubt. I think we're over \$60,000 a month in Amazon ads right now. But yes, we send everything there. Now as we scale more and as we look into different opportunities and different sales channels, that will change but right now, the ROI is there. The analogy I always use with our students and in our own business is the low-hanging fruit analogy. The idea is go after the easiest wins in terms of the most leverage I can get on the capital, energy, and [INAUDIBLE 00:13:04] at the spend out of that investment first. For us, Facebook is way up there. We don't do any Facebook advertising, I think 10 bucks a day on a retargeting ad. But for us, we're still not at the point where we'll start spending money on Facebook because it's so high in terms of the amount of investment time, effort, and refinement needed to ...



Ryan Moran [00:13:26]

It's a brand new channel, it's starting from zero for you, right? So this is such a common thing where entrepreneurs will take their focus away from something that's making them \$6 million dollars a year, Jason, and put it into something that's making zero. And you have thankfully avoided that trap. Jason is one of our coaches inside of the Incubator. And this comes up a lot. It's easy for entrepreneurs to chase after new untried things and going in a bunch of different directions with crazy gains, they think, right? But so much of business is just staying centered and focusing on the next logical step in front of you, responding to what actually works and make sales. For example, Jason mentioned that he's spending \$60,000 dollars per month in Amazon advertising. Did you catch that? But that didn't happen overnight. That grew as his company grew and it grew as he started getting consistent results.

Ryan Moran [00:14:23]

Jason got to that point by focusing exclusively on Amazon and building relationships, relationships with his customers, relationships with other influencers. In fact, if you were to look up his company on Instagram, you'd see that they have about 9,000 followers, which isn't bad. It's not huge, but he has strategic relationships with other athletes that are featured there. And they have much bigger audiences. Jason puts his time and energy into those 2 areas because that's what's working for him. That's what we tell people to focus on inside the Incubator by following the owner's model. It is casting the vision and building relationships and making sure that the company has enough capital to execute upon that vision. That usually comes down to managing one primary sales channel and building relationships with other people who can help spread the word. Would you tell me a little bit about the influencer relationships that you've built up to this point? Because that's a big nut that people try to crack.

Jason Franciosa [00:15:25]

Yeah. So we've tried a lot with influencers. Influencers are the stereotype of the fitness industry. If you're a brand in the fitness industry, it's just the assumption that you need influencers. What I found is influencers work much better when they're people that you really enjoy hanging out with and being around and people who truly love your brand and your product. We partner with a lot of influencers, but we haven't really gone heavy doing outreach. The last year we secured a relationship with a high level athlete in the CrossFit space, but not only was he a high level athlete, he's also an awesome guy who we had talked to all the time, we hang out with, and he's been great for us. I've seen a much higher ROI off win-win relationships in businesses, complementary businesses within our space that already know how to sell.

Jason Franciosa [00:16:18]



They already understand marketing. They already understand ... They already own an audience and not only their own audience, the expectation with the audience is a business relationship, as opposed to just a free kind of interaction, which is what most influencers have. I think we kind of idolize influencers, and influencers can be great. There's also the other businesses that might be a perfect complement to your business who already have a developed relationship with the customer on a transactional and emotional level where the influencer, it might just be that I just want to see what he's doing. I don't really care about what he's pushing.

Ryan Moran [00:16:55]

So, your influencers are actual audiences of other businesses. Is that what you're saying?

Jason Franciosa [00:17:01]

Yeah. Those are, to me, are the highest ROI because they're already trained to be a customer. I don't have to train them. I don't have to try and figure it out.

Ryan Moran [00:17:10]

What do those relationships look like? Are you sponsoring their email lists? Are you sponsoring content? Are you doing cross promotions? What do those look like?

Jason Franciosa [00:17:20]

All the above. So for us cross-promotions is a great way to do it. One thing we started doing recently is actually I bought an airline ticket to go to Cap Con. I noticed when I went to check out, they offered me a hotel and a rental car. I'm sitting there like, I would love to sell supplements, but I don't want to get into supplements. Super competitive. You got to deal with a bunch of inventory issues, product development, differentiation, the whole 9 yards. Why don't I just partner with a supplement company and be an affiliate for them? I have hundreds of new customers per day, they're already buying stuff. I can put an offer in front of them, get the profit, maybe not a hundred percent of profit, but even 20% off the top is a pretty good chunk of change and probably more profit than I would make starting off new. I can now capitalize on that, the things that customer is already buying without ever having to launch a new product, I don't have to worry about development or anything.

Ryan Moran [00:18:16]

So, it's a profit stream for you, but it's also a ton of exposure in the other person's packaging. This is one thing that Travis Sago told me to me when we first started Sheer Strength. He was like, dude, if you're getting product into people's homes, make relationships with other businesses and create cross promotions, just inserts in packaging for each other's businesses. It's free advertising, right? Or you pay \$0.09 cents for the insert or whatever it costs for



exposure to thousands of people who are in your space that just bought money for the result that you're trying to get them. It's really good, cheap advertising that a lot of people aren't doing. So those are your most profitable relationships. How did you meet those other businesses?

Jason Franciosa [00:19:02]

I'm still a big believer that in-person is where the best business relationships happen. We do a lot of events and every time we go to big event, guess who else is there? A bunch of other vendors. So you just go around and meet people, talk to them, discuss. You'll find out that most other business owners are in a very similar position as you. They're always looking for opportunities and very rarely do you meet a business owner that's not ... Even if they're a direct competitor. At Cap Con, one of my direct competitors was there, we had a great conversation and, it's very cool to meet each other and see the faces behind the scene and hear the stories. You find those win-win things because you just talk, right. It's weird in a digital age, but it works.

Ryan Moran [00:19:50]

Jason, you have, from what I know about your business, you have one hero skew that has really been the leader in the business. In fact, my personal trainer recommends your belt, your workout belt to his clients. You're a bit of a celebrity to my trainer, which is pretty cool. What is your skew count at this point?

Jason Franciosa [00:20:15]

It's still pretty low. Our parents skew, I think we're at about 9. We've intentionally kept it low for a couple of reasons. One, just staying in stock has been a nightmare. When you're growing ... We'd spend 300% year over year for us because I mean, I guess this quarter will be 200%, but the actual 12 months trailing is 300%. When you have literally monthly growth and you're just trying to keep up with it, trying to get more products and new products to the market, again, low-hanging fruit, right? That's a higher up than just not running out of stock, which is where all of your resources are going. The other thing is we believe in all of our other products and they've all at least tripled since last year as well. While we still have our hero product, of course, all of our other products are growing rapidly.

Jason Franciosa [00:21:02]

We know we have really good products, which we got to see in person because a few months ago I went to the CrossFit games. And we got a booth there. We got to meet a lot of our customers and a lot of people who never heard of us in person and get that first initial reaction, show them in person. A lot of them had purchased our competitors' stuff, came to our booth,





saw our stuff, ended up returning the stuff they just bought from our competitors to buy ours at a better price and higher quality. So that was really cool. It was very confirming that we're on the right path. Just trying to get a bunch of white labeled junk out is not how we want to build the brand.

Ryan Moran [00:21:42]

Yeah. I mean, at the very least long-term. I mean, I have white labeled things to start, to get sales off the ground, but then I go back and reformulate or remold or come up with a process that actually makes my product unique and different in the marketplace. I know you've also started to build a team. I think your team is small, but you've started, which is a big pivot from where you were, I think, even when we last spoke. How have you had to change as a person, as a leader to go from a 7-figure, low 7-figure business to now high 7 figures knocking on the door of 8 figures in the next year or 2?

Jason Franciosa

The biggest thing is it's really just a personal growth story, right? It's being able to give up your tasks and understand that you need to. Again, it's that transition that I was talking about from the doer to the leader. I guess I come from an advantaged background. I was in the military and I was an officer in the military. At 22 years old, I was put in charge of 40 soldiers and I was the 2nd youngest person there. I had to learn how to be leader very quickly. And there was no option otherwise. I've been on this path before, I've seen it. So for me it's not super difficult. There is always that temptation that, hey. I've got to fulfill some orders, why don't I just knock it out quick because I got nothing going on. I'm like, wait a minute. Now I'm taking that time away from my person that I hired to do this, making confusion for them.

Jason Franciosa [00:23:24]

To me that was the biggest time kind of thing is because I like to just get stuff done. I'm not the kind of person that likes to procrastinate on those things. I'm just like, oh, just do it. That's been a shift, but yeah, it's all part of the process.

Ryan Moran [00:23:36]

Jason, you sent me a message a few months ago where you said, I think this is the first that I feel rich or I feel successful. I don't remember the word you used, but would you tell me what you meant by that?

Jason Franciosa [00:23:54]

I think it was when we started paying ourselves, I think it was \$30,000 dollars a month. It was the first month that we hit that and that's like, my goal when we started this was to be able to



pull out \$10,000 a month. Having all this extra cash, literally not knowing what to do with it, was a weird feeling. And I haven't changed my lifestyle. I'm still in the same house from when we were at just breaking the million dollar mark. I still drive a 2013 Prius. Literally all this money's just getting dumped into investments and I have no cash right now. My bank account is smaller than it was six months ago, but my asset value is much higher. It's a weird feeling because it's completely internal and that's the weird part because just knowing that these things are there, even though nothing in my reality has changed, is just a huge perspective change.

Ryan Moran [00:24:49]

Yeah. There's an elimination of scarcity at that point because now you have access. And so, there's a realization that you can play with this. You can invest in this, you can ... You don't have to worry about what is coming. Have you acknowledged the fact that you are a millionaire?

Jason Franciosa [00:25:12]

Yes. Well, as a theoretical, yes. But at an emotional level, no because it's almost all ... I'm almost ... When I break a million outside the business, which will probably be pretty soon, that's when I think I'll feel like I'm going there because the business doesn't seem like it's an asset right now.

Jason Franciosa [00:25:35]

Yeah. Because all of your net worth is tied up in that right now. Sure. You're pulling out a few hundred Gs from it, but all of your real wealth is still tied up in the value of that business, which hasn't gone on the market yet. Oh, this is a good one. It's so hard to pause and give ourselves permission to celebrate what we've already accomplished. It's so hard to make entrepreneurs truly appreciate how valuable that asset that they've built is. It's kind of like Zucks and Bezos and Branson. They aren't just sitting on billions of dollars in cash in a checking account so that they can just look at it and feel rich. Did you know that Mark Zuckerberg financed his \$6 million dollar home on a 30 year mortgage? Because it would be silly to waste that much cash when your money can be working for you. The real reason I asked this question to Jason is because he said that his biggest shift was his mindset in leveling up to \$500,000 dollars a month.

Ryan Moran [00:26:32]

If he wants to scale to a million or \$2 million a month and beyond, it'll have to come from another mindset level up. The scrappy guy who built this thing so far with blood, sweat, and tears and elbow grease, will have to continue down this route of being even more of an owner. Entrepreneurship is the best self-development game in the world. What you can hear Jason saying is that his business changed as his mindset changed. I wish that wasn't the case, but as



you change, so does your business. However, I know that you've had a couple of conversations about people who want to invest in or acquire your business. I know you've turned down ... You turned down me when I said, do you need money? So, tell me about some of the conversations that you've had with people who want to value that business.

Jason Franciosa [00:27:26]

Yeah. Again, this came out of Cap Con, which if you didn't go to Cap Con, you missed out. I'm going to throw it out there. I was talking to Travis, Travis Zigler, a mutual friend of ours, and he did a deal essentially where he sold a portion of his business. It was able to able for him to extract chips off the table. When I looked at the numbers, that's where we're at, I'm like, look, let's just ask for a high valuation. If anyone wants to bite, we can pull a lot of chips off the table, essentially have an exit, but then still keep doing what we're doing. That was really appealing to me because exactly it's that idea of then I'll be a millionaire because I'll have cash. But then I'm going to have to go invest the cash anyway, so it all goes away. But the weird aspect. I started going down the rabbit hole and I spoke to ... We literally get an email, 1 to 2 emails a week from different aggregators right now, trying to buy our business.

Jason Franciosa [00:28:18]

It's pretty insane. The marketplace, if you want to sell an e-commerce business right now, it is nuts and you can probably sell it in 24 hours if you put yourself out there. I wrote back to a few of them, set up some meetings and to be honest, I was really disappointed with what they were looking for. All they care about, at least the ones that I spoke to, and this is aggregators, Amazon aggregators reaching out to Amazon winners essentially, number one in your marketplace kind of stuff. All they care about is listing. They'll pay ridiculous valuations for it, which is great, but there's no value beyond ... Their pitch as to why they should invest in you is that they're going to make your operations more efficient, they're going to plug you into their team and that their guys know your business better than you do, which sorry. They don't.

Ryan Moran [00:29:06]

No, they don't.

Jason Franciosa [00:29:08]

No, definitely don't. And so that didn't get me excited. I changed my mentality as to what we look for in an investor. The only reason that we would sell a portion of our business right now is if the investor was bringing much more to the table than just cash or efficiencies. I'm looking for someone that's like a strategic investor, like a big company coming in saying, hey, we love what you're doing. We're trying to break into this space. All we have to do is plug you into our



systems. We can 10x your business in 2 months. Are you ready for it? Right. That's the kind of investor that I would gladly give up equity tomorrow for.

Ryan Moran [00:29:42]

Yeah. Because you're not thinking as much about taking chips off the table, as much as you are thinking about growing the enterprise value of the business, which is how you get rich by growing the enterprise value of the business. Now that you have said no to a 7-figure valuation ...

Jason Franciosa [00:30:04]

8.

Ryan Moran [00:30:04]

It was an 8-figure valuation?

Jason Franciosa [00:30:07]

That's what we're asking. Yes.

Ryan Moran [00:30:08]

And you said no.

Jason Franciosa [00:30:10]

Yes.

Ryan Moran [00:30:11]

Nice work. Now that you have said no to an 8-figure valuation, how does that change your mindset about where you're going to go next?

Jason Franciosa [00:30:22]

Ironically, we turned the tables. I just had a meeting recently with another brand that's perfectly complementary to our business and they're interested in selling. So we're interested in buying. Actually going through the process of looking at what would make us want to sell to somebody, it actually allowed us to view, okay, well, what would we want if we were to invest in another brand? And we see massive potential in this potential brand that we could invest into. The cool part is, yeah, we take on some debt because we'd probably finance it through one way or another. But our revenues would go up by 30-50% instantly. Our skew count would be extremely ... It'd go quite a bit because of the way the company is structured. A lot of the



things that we planned to do anyway would happen overnight as opposed to taking years to do just through an acquisition, which a lender would be paying for.

Jason Franciosa [00:31:27]

There's almost no risk on our end. It was pretty crazy. That was a really big mindset shift for me. It's actually really recent, 2 big mindset shifts recently. It's like, okay. Both really from Cap Con. One was the idea that, build the team, the business you want, don't build the business you want and then build the team. I think that's the mindset shift that I had in terms of hiring and growing. And then in terms of leveraging other people's money to expand our business, you can really accelerate fast.

Ryan Moran [00:32:05]

Jason, this is a far cry from where you were a few years ago when you were at my house, you flew in as a guest of mine to a meeting that we had. You said that you felt like you must be the poorest guy in the room. I think you might've been doing like \$40 or \$50 thousand dollars a month in sales at that point. I don't know what you were profiting, but it wasn't a whole lot. You were like, I'm the poorest guy here and you kind of kept hedging. Now you're saying no to 8-figure valuations. What has changed? And what would you say to that guy 3 years ago, who was in my house saying I'm the poorest guy?

Jason Franciosa [00:32:46]

I mean, the thing that changed is I now have a very successful business, right?

Ryan Moran [00:32:49]

Oh, of course.

Jason Franciosa [00:32:51]

Going through the process and actually ... It's a confidence thing. Once you've done something, your confidence gets boosted, and to the point where some people get overconfident, they sell their business and think they can do it again tonight, and it ends up being a lot harder than they realize.

Ryan Moran [00:33:04]

I can't relate to that at all.

Jason Franciosa [00:33:09]

To be fair, I think I'm good at taming that overconfidence instinct and understanding that we've been very fortunate in a lot of different areas, and I love what I do so how do I get rid of this?



But what would I say to myself 3 years ago? I think it would go back to like what Brooke Castillo says all the time. And it's just like, believe in yourself. If you have complete conviction, it will happen because you're going to take that belief, make the actions that you need to do in order to make it true. And if that for some reason it doesn't happen, who cares? You felt great doing it the whole time.

Ryan Moran [00:33:49]

You had a really meaningful exchange with Brooke Castillo at Cap Con where you were asking her a question and she dug in really deep. Would you tell that story from your perspective?

Jason Franciosa [00:34:01]

I don't want to call it dug in. She's just like, chop my head off and said, don't do that.

Ryan Moran [00:34:04]

She did.

Jason Franciosa [00:34:07]

The biggest pushback I always have with Brooke is she makes it sound so simple to just think different, to just change. Why would you not? And you can come up with a laundry list of excuses as to why not, but at the end of the day, the point that she always brings up, and it's absolutely true, is you choose what you think. Yes, you can choose to look at all those restrictions and negative beliefs and problems that you had and they're your story that you tell yourself, or you can just simply choose not to and what is the consequence of not doing it? When you think about it's really hard to push against that because it's so true. You choose what you believe. Even if the belief is completely devoid of what you tell yourself and your story, or what society says about you or whatever, who cares? So that was really ...

Ryan Moran [00:35:18]

How did that impact your business? How did that impact what you did and focused on when you went home?

Jason Franciosa [00:35:27]

It helped a ton with that scarcity mindset. That fear based mindset of what if this goes away? Because I'm sitting there thinking, well, I can think that a lot and it could be right. This could go away tomorrow. A lot of businesses got affected greatly with the iOS change on Facebook. Right? I mean something simple like that cut their business in half. That can happen. If I sit here just worrying about that all the time, it's probably going to happen. I'm going to make it happen. Right, so if I just ...



Ryan Moran [00:35:59]

It's kind of like your point at the beginning of this conversation was you've gone all in on the channel that was working whereas a lot of people try to diversify because they're afraid of Amazon cutting them off at the knees. What do they do in response to that? They cheat the system and then they spread themselves thin and Amazon comes out with a crackdown and eliminates them and they're out of business. Whereas you have said, Amazon's working. Amazon's the best platform that we have as a business and the best opportunity we have to grow. So, let's double down. Now you're the number one competitor in your space, right? So you have made that thought true in your actions. It sounds like your interaction with Brooke has given you permission to be intentional about what you think and your actions have followed in response to that. Is that a fair summary?

Jason Franciosa [00:36:53]

Wraps up perfectly.

Ryan Moran [00:36:56]

Perfect. Jason, you ... A few years ago, you crossed a million dollars and it was a big milestone for you. Now you're pulling out more money than you ever wanted to make out of this and you're turning down offers for an 8-figure exit. You're now mentoring people inside the Incubator. You've seen people who are in the early stages struggling with the same mindset shifts, the same ideas, the same challenges that you had 3 years ago or 4 years ago when you started this thing and you bought one of our courses with your last \$3 grand. What do you see come up as a recurring challenge or mindset holdup for people who are still grinding their way to the first million?

Jason Franciosa [00:37:48]

I think the biggest challenge is the lack of momentum because as soon as you start seeing momentum, that excitement comes and then a lot of the fears and frustrations, the things that are holding them back kind of go away. I really do think like that, act quick and get something out there as quickly as possible, even if it's not perfect is so important because once you get that first sale and you see, hey, this is real, your mindset instantly shifts. And the understanding that the ability to build a million dollar business in 12 months or 24 months, or even 36 months is so incredible compared to any other time in history, when you're trying to build a business. Our grandfathers would laugh at this. You built a million dollar business in 12 months? That's not possible.

Ryan Moran [00:38:41]



Even Robert Kiyosaki says you Amazon sellers, just, you got it made. What used to take me 10 years, you can do in 6 months.

Jason Franciosa [00:38:52]

But when they don't see a million dollars, that \$83,000 dollars a month in 2 months, they start doubting themselves and I'm sitting like, this is just a perspective problem. The other big problem of course is not focusing on the low-hanging fruit. They try to do everything, reach way too high, things that just because you don't do it today, doesn't mean you can't do it. A lot of times they see the potential of Facebook ads or the potential of a partnership with, I don't know, Jessica Alba. The potential. I think that's great. But right now, based on your current resources, you don't have the ... You're not gonna have the ROI or the connections or the scale or the recognition or the attractiveness of your brand to get those things. And that's perfectly fine. Start really niche, start with one person, solve their problem and then go to 2 and then go to 4 and then go to 8. It will get there. That's probably the most common recurring themes.

Ryan Moran [00:39:58]

I just want to pause and say yes and to this. I want to just emphasize this point that Jason made. The importance is on progress. The importance is on taking the next step forward because I hear so many people tell me their wild ideas or think about building a million dollar business and I bring them back to, okay, where's your first prototype? All right. Why don't you look into what it's going to cost to get made? You've got to take a damn sale. Like you got to take that first micro step. It's the step that is so small that you feel like you're cheating, but that's kind of a metaphor for life beyond business as well. It's that next step forward, it's that incremental thing that you don't want to do because you are thinking 4 steps ahead. Jason is a really good example of somebody who started with nothing and just scraped it together and just took the next step and the next step and the next step.

Ryan Moran [00:40:48]

Jason's 100% right on point here. Jason, the first time we did a podcast together, we had this great line that you've quoted several times, which is that your job is not to convince the customer that you are Yoda, it's to convince the customer that they are Luke Skywalker. That seemed to be a really big mindset shift for you. I noticed that in your behavior, you started making the customer the hero of the story. How did that ah-ha adjust how you built the business after that interview?

Jason Franciosa [00:41:26]

One correction. You actually said that.





Ryan Moran [00:41:28]

Yes. I said it to you.

Jason Franciosa [00:41:30]

Yeah. No, that was huge. It really ... Because the Yoda analogy is used all the time, but you're the guide for the business, but it never clicks that it's not my job to convince them that I'm Yoda. It's my job to convince them that they're Luke Skywalker. Once you understand that and you understand that the whole purpose of the business is to serve the customer because your job is to get them to come ... You're basically trying to convince them that the \$50 that they have in their hand is worth less than what you provide them. The bigger the discrepancy between what they're giving you and what they believe they're getting, the quicker and easier they're going to give it to you, right? If you're looking at it from a selfish standpoint, I guess that would be the way you put it. Once you understand that, it really just becomes your entire job to focus on trying to help the customer achieve their goals and reach their end state and everything's easy once you understand, because then you go deep with the customer.

Jason Franciosa [00:42:31]

Then you start to ask them questions. You start to talk to your customer, you show up where they're at, start to interact with them, start to hang out with them. And then when you want to find out, well, what's the next product? Well, they probably already told you. You just launch the stuff they tell you to launch. Okay, well, where's your steady marketing? Oh, what do they read every day? What do they watch? Where do they read or what brands they follow, or who do they listen to? And if they're going to buy a product in your space, where do they go to research about it and choose which one? All of that, they'll tell you. All you have to do is just do what they tell you to do.

Ryan Moran [00:43:05]

That's exactly right. This is a bit of a mind warp, but it is true what you said, as soon as you realize that your job is to serve the customer. It gets really easy. There's no more burden of you trying to figure it out. You're now just in service to them. There's no more trying to hack the system. You're trying to serve a person and it's way more fun too. It is so much easier to get something off the ground when you are just willing to be in the trenches and serve somebody. When you are focused on, what can I extract from this person, You're always going to be repelling the marketplace away from you. It is just like a law of reciprocity. What you are putting in is what you are getting back. It seemed like that freed you up to make decisions that were more from a place of what is going to legitimately grow the business versus how do I make more money from this? Is that correct?



Jason Franciosa [00:44:11]

Absolutely. Well, they go hand in hand, right? Growing the business, making more money from a business. If you're making \$100 grand a year in revenue, you can't make \$100 grand profit, right? So going to business means money for you.

Ryan Moran [00:44:28]

But most people don't, most people will see the business as a route to make money. They are extracting as much as possible. Whereas it seemed like that conversation gave you permission to just think about serving the customer and growing the business. And that's what allowed everything to grow.

Jason Franciosa [00:44:46]

Absolutely. Your customers realize it quickly. The decisions you make and the interactions you have with your customer, they will instantly know if you truly care about them, or if you don't give a crap about them. You'll have either a [INAUDIBLE 00:45:01] customer who goes and tells all their friends about your brand and your products and promotes you for them for free, or you have, someone's going to go bash your company and tell all their friends never to do business with you. It's just smart business to take care of the customers.

Ryan Moran [00:45:14]

How have you built your audience and your following since having that ah-ha? Because most people, they hear me talk about the necessity of building an audience so they're just trying to hack the system. How do I extract the data from Amazon so I can spam the hell out of my people? You've built an actual following and an actual audience without doing any of the manipulation stuff. How have you built the following since having that ah-ha?

Jason Franciosa [00:45:44]

First thing you have to do is get over numbers. Way too many people get way too obsessed with I need to have 100,000 emails or I need to have 5,000 new emails per week with this ad. And they're trying to optimize for that. I think that's the wrong way to look at it. The way you have to look at it is I want customers. I want people who love my brand. I want that thousand true followers. And once you understand that, then you're not so worried about, I have to do a giveaway to get emails, or I have to do this click ad so that ... The coolest title to get this. You want to reframe that title to be the one that connects most with your customer, that speaks most to your ideal customer, to your avatar. Yes, you might pay more per customer, but your net profit on that is going to be much greater because that person is actually going to buy from you. You're not just on [INAUDIBLE 00:46:36] click.



Jason Franciosa [00:46:38]

So that was a huge shift. And then in terms of where we spend our dollars, again, low-hanging fruit. Where is the highest concentration of my customer going to be, and in the mindset of the thing that I serve them for. For us, we're into fitness. I could have all my customers on Facebook watching cat videos. They're probably not in the mindset of getting ready to buy weightlifting belts. They're watching cat videos, right. If they're reading an article specifically on the best weightlifting belts for CrossFit athletes or something like that and I show up in that article, now there's a very high chance that, A, they're going to be in the mindset ready to purchase or buy, or at least interact with my brand, from the mentality that I want them to. Finding out where they hang out in and when ... Not only where, but when they're in the mentality or the mindset of wanting to improve the aspects of life that you serve them in, I think is a much higher ROI than just going out there on Facebook ads.

Ryan Moran [00:47:36]

Are you pulling them into an email list and then sending them over to Amazon? What is that process for how you're aligning that traffic behind an audience?

Jason Franciosa [00:47:44]

Yes. Our goal is collecting email addresses in terms of customer interaction, because that's where we have the deepest relationship. My business partner has done an incredible job building out our sequences as pure value gifts. We don't have any sales, actual pushes in any of our sequences. We do sales pushes, but not automated. We don't have any automated sales pushes, and it's all value given. It's for almost a year now. It takes a lot of work to do that. Anyone who thinks you're going to be good at email marketing without putting work or effort into learning copywriting, learning sequence flows, learning all that kind of stuff, I hate to say it, but here at e-commerce or a digital marketing entrepreneur, you need to learn how to write, you need to learn how to understand visuals, and you have to understand email. At the end of the day, your entire brand's interaction as an e-commerce entrepreneur is the content that you put out.

Jason Franciosa [00:48:42]

I don't think enough of us understand that and really understand how important it is in terms of the perception of your brand and your interaction with customers, because you don't get the luxury of having customers come into your store every day. If I had a local shop, I get to have a personal connection with every customer, which is much easier to build a relationship. If my only interaction is the ads they see from me, the emails they get from me, the videos they see, and then the people who are pushing my or promoting my brand, I have to make sure that all of them are in line with what I'm trying to portray.



Ryan Moran [00:49:12]

Yeah. I actually really liked that analogy of thinking about all the people who see your content as window shoppers, and they're coming in to have an interaction with your store. That store is engaging in comments, in DMs, in emails, showing up in their inbox. Those are all of the ways that they are in your store and whether or not they make a purchase is determined by how you treat them when they're in the store. If you're trying to sell them, it is easier than ever for them to click off. But if they feel like you actually care, if you're actually in service to them, they will buy and they will tell everybody else. And it is much easier to scale.

Jason Franciosa [00:49:55]

Absolutely. Actually had a great interaction yesterday. I'm signing up to learn ... To take my scuba diving certification. I went to the scuba shop and the owner was showing me all the different gear that they had there. He did an incredible job of not only showing the gear, but educating me and offering even options outside of the store that he didn't sell. He just really built that relationship in a matter of 5 minutes. I'm like, this is brilliant. This is the same stuff that I try to optimize for online. He can do it in 5 minutes in person. We're at a disadvantage when it comes to that. Our job is to replicate that experience.

Ryan Moran [00:50:30]

That's right. Jason, you're now one of the head coaches inside of the Incubator, which is amazing seeing as how you started this process buying something from me on a Facebook ad 3 years ago and coming through the process organically, crossing the first million, being a guest on the podcast, being active in the community, and now being one of our head coaches. Why do you think you've made it when so many people give up in the first year?

Jason Franciosa [00:51:03]

That's a pretty good question. I really think it comes down to that analogy of low-hanging fruit again. I've said it multiple times in this podcast, but I think the one thing that I've done very well is focusing our efforts on the ... Whenever there was a shiny object that spoke to me and was working. When you're first starting out, you throw a bunch of stuff out there and say, okay, well what sticks? Once it sticks, double down on it and then go up the tree very carefully and allocate a few resources that you have as you're growing to the highest ROI investments. Your business is essentially an investment vehicle, right? When it comes from ... When you're looking at it from a tactical standpoint, it's like, okay, I have cash coming in and I have to reallocate that cash to get more cash back out, some of it has to go to inventory and some of it has to go to growth.



Jason Franciosa [00:52:00]

When you're looking, where am I going to put that, where can I get the most dollars back from what I put in? I think Clement would love this kind of conversation, but, you can almost start seeing it like levers and, by pulling the different levers, essentially, you look at the ROI on listings. If you go up that scale and you follow that low-hanging fruit methodology, I think that's what we've done very well. We haven't tried to launch a bunch of products too quickly. We haven't tried to expand off into different sales channels too quickly. I have an incredible team which helps a ton, and then really focusing on great products. I mean, that's been a huge key to our success too. Having differentiated products, we didn't come with anything brand new to marketplace for nothing like ... we didn't invent the first weightlifting belt.

Jason Franciosa [00:52:44]

We made some minor changes and we make minor changes almost every few months in terms of refinement of that product. I don't think it's been the same from 1-3 months ever which makes our products better. Every year, if you buy a new belt from us, it's not the same as when you previously bought. It's improved and better. That's how we maintain getting more reviews and higher quality reviews. And we get feedback. We listen to our customers. So all the answers are there. You just listen to your customers.

Ryan Moran [00:53:14]

You've just been doubling down on being in service to the customer. Good work, my friend. Well, it is an honor to be part of your journey, honor to have you in the Incubator. If you had one request of the Capitalism.com audience, what would it be?

Jason Franciosa [00:53:32]

Believe in yourself. I think that's what it would be.

Ryan Moran [00:53:39]

Do you care to clarify?

Jason Franciosa [00:53:42]

I think a lot ... Actually, it's interesting. I saw a Facebook post you posted, or your team posted recently, it was about your book and it was talking about how, for \$25 bucks, you can turn this investment like 40,000x return. There was a bunch of people commenting, just like, oh, well I couldn't do that, if I was already at this much per day, then yes, I could do that. And it's just that lack of belief. But if instead they flip that coin and said, look, I don't have this today, I can do a very low investment of \$25 or, whatever, and believe that I can do this. I guarantee they would get there if they truly believed it. It might not be in 12 months. It might not be in 24 months, but they would get there.



Capitalism.com  
— B E T H E C H A N G E —

Ryan Moran [00:54:33]

It's that same concept of if you believe that you can, you will find evidence to support it and you will stay in action that matches that. And if you believe that you can't, you will find evidence for that and you'll find the actions to support that. It starts with if you believe you can or if you can't. Good summary, my friend. Jason, it's great to see you. Thanks for hanging out with us. We'll see you next year.

Jason Franciosa [00:54:55]

See you.

Ryan Moran [00:54:56]

I hope after listening to this episode, you're like, okay, I'm going to get off the sidelines and I'm going to start doing this thing. I'm going to work with Ryan, I'm going to work with Jason, I'm going to work with the rest of the team. I'm getting clear on what my vision is for my 7-figure business that I can scale and sell. And I really hope that in a few years, you're turning down 8-figure offers just like Jason is.

Ryan Moran [00:55:18]

When you're ready to get off the sidelines, you can come join us inside of the Incubator. By the way, it's application only so there's no hard pitch, but you can go download our free resources, find out how we structure these businesses, how we structure the owners model so that you are free to be in the owner seat of your business. And then you can decide if you want to hop into the Incubator, and you can download that at [Capitalism.com/inc/inc](https://capitalism.com/inc/inc). All right. Hope you enjoy today. I'll see you guys on the next episode. Take care.